

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 1814 - SB 2076**

March 10, 2016

**SUMMARY OF BILL:** Prohibits a non-profit dental service corporation from reducing payments to dentists who participate in the corporation's plan without providing a 60-day notice to each participating dentist in advance of the date such reduction goes into effect. Such notice is not required if the payment reduction is: due to federal or state law or regulations; is caused by a change in the procedure codes published by the American Dental Association; or is based on a change in insurance coverage shown through a certificate or contract issued to a subscriber. Prohibits payment reductions from being implemented more than once in a 12-month period.

**ESTIMATED FISCAL IMPACT:**

**NOT SIGNIFICANT**

Assumptions:

- This proposed legislation will not affect any plan administered by TennCare or the Division of Benefits Administration, as neither agency contracts with a dental benefit manager who is licensed as a non-profit dental service corporation.
- Non-profit dental service corporations may utilize cost-sharing, or charge plan subscribers based on a sliding fee scale, subject to the individual contract. No premium tax is applicable to such payments; therefore, this proposed legislation will not result in any significant impact to premium tax collections.
- No significant impact to state or local government.

**IMPACT TO COMMERCE:**

**NOT SIGNIFICANT**

Assumptions:

- This legislation will limit a non-profit dental service corporation from reducing payments made to dentists which are part of the corporation's provider network, without first providing notice of such reduction to each participating dentist.

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- The extent to which this proposed legislation will limit payment reductions is unknown; however, it is reasonably estimated that non-profit dental service corporations and dentists in this state will not experience a significant impact on business revenue or business expenditures as a result of this legislation.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/jdb